

## SENATE BILL No. 505

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 12-15.

**Synopsis:** Physician Medicaid reimbursement rates. Requires the office of Medicaid policy and planning to increase physician reimbursement in Medicaid managed care programs, fee for service programs, and demonstration projects by 10% in 2007 and 10% in 2008.

**Effective:** July 1, 2007.

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**Miller**

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January 23, 2007, read first time and referred to Committee on Health and Provider Services.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

## SENATE BILL No. 505

A BILL FOR AN ACT to amend the Indiana Code concerning Medicaid.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 12-15-12-12 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. **(a)** For a managed  
3 care program or demonstration project established or authorized by the  
4 office, or established or authorized by another entity or agency working  
5 in conjunction with or under agreement with the office, the office must  
6 provide for payment to providers in the managed care program that the  
7 office finds is reasonable and adequate to meet the costs that must be  
8 incurred by efficiently and economically operated providers in order to:  
9 (1) provide care and services in conformity with applicable state  
10 and federal laws, regulations, and quality and safety standards;  
11 and  
12 (2) ensure that individuals eligible for medical assistance under  
13 the managed care program or demonstration project have  
14 reasonable access (taking into account geographic location and  
15 reasonable travel time) to the services provided by the managed  
16 care program.  
17 **(b) In addition to the requirements under subsection (a), the**

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office shall establish payments to a physician licensed under IC 25-22.5 who provides physician services under a managed care program or demonstration project established or authorized by the office using the following:

(1) Beginning July 1, 2007, and ending June 30, 2008, payments that represent a ten percent (10%) increase of the Medicaid reimbursement rates used January 1, 2007.

(2) Beginning July 1, 2008, payments that represent a ten percent (10%) increase of the Medicaid reimbursement rates used January 1, 2008.

SECTION 2. IC 12-15-13-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) Except as provided in IC 12-15-14 and IC 12-15-15, payments to Medicaid providers must be:

- (1) consistent with efficiency, economy, and quality of care; and
- (2) sufficient to enlist enough providers so that care and services are available under Medicaid, at least to the extent that such care and services are available to the general population in the geographic area.

(b) If federal law or regulations specify reimbursement criteria, payment shall be made in compliance with those criteria.

(c) In addition to the requirements under subsection (a), the office shall establish payments to a physician licensed under IC 25-22.5 who provides physician services under a fee for service program or the Medicaid primary care case management program using the following:

(1) Beginning July 1, 2007, and ending June 30, 2008, payments that represent a ten percent (10%) increase of the Medicaid reimbursement rates used January 1, 2007.

(2) Beginning July 1, 2008, payments that represent a ten percent (10%) increase of the Medicaid reimbursement rates used January 1, 2008.

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